

FISCAL NOTE

Bill #: SB0477

Title: Per diem rate for persons in state portion of regional correctional facility

Primary Sponsor: Elliott, J

Status: As Introduced

Sponsor signature

Date

David Ewer, Budget Director

Date

Fiscal Summary

	<u>FY 2006 Difference</u>	<u>FY 2007 Difference</u>
Expenditures:		
General Fund	Unknown	Unknown
Revenue:		
General Fund	\$0	\$0
Net Impact on General Fund Balance:	Unknown	Unknown

☐ Significant Local Gov. Impact

☐ Technical Concerns

☐ Included in the Executive Budget

☐ Significant Long-Term Impacts

☐ Dedicated Revenue Form Attached

☐ Needs to be included in HB 2

Fiscal Analysis

ASSUMPTIONS:

Department of Corrections

1. This bill instructs the Department of Corrections (DOC) to adopt administrative rules specifying the method used in calculating per diem rates paid to the state portion of regional correctional facilities.
2. According to the proposed legislation, the mandatory costs calculated into per diem rates should include incurred capital costs, such as depreciation.
3. Currently DOC does not reimburse regional correctional facilities for capital costs. The addition of capital costs to per diem rates would increase the cost to DOC. The department is unable to estimate the total fiscal impact this bill would create, but it could be significant.
4. Based on recent rate negotiations this legislation could result in increased costs to the Department of Corrections in excess of \$2 million. This is based on a rate negotiation with a \$14 a day discrepancy between what the department calculated and what the regional prison requested. This request was driven by things that are included in this legislation such as reimbursement of capital costs. This \$14 dollars a day multiplied by the 440 beds statewide and the 365 days in a year equates to \$2,248,400.